Bubs Australia Limited
ACN 060 094 742
23-29 Nina Link, Dandenong South
VIC 3175 Australia

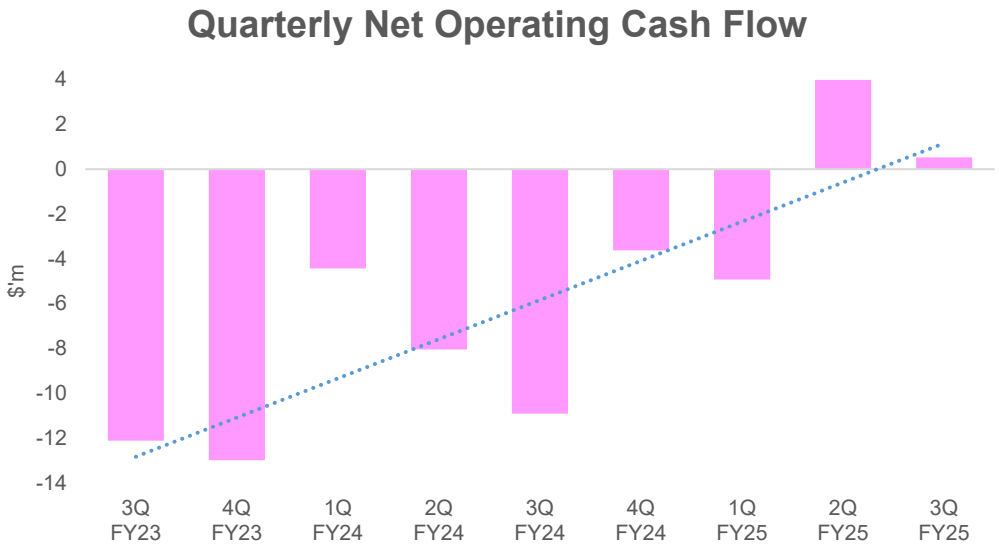
1800 2827 2878 (1800 BUBS AUST)
info@bubsaustralia.com

Q3 FY25 QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C CASHFLOW STATEMENT

28 April 2025, Melbourne: Bubs Australia Limited (ASX: BUB) ("**Bubs**" or "**the Company**") is pleased to announce its unaudited financial results for the quarter ending 31 March 2025 **(Q3 FY25).**

Group Highlights

- **Bubs achieved positive operating cash flow for the 2nd consecutive quarter with Q3 operating cash inflow of $0.5m, significant improvement from a $10.9m outflow in pcp**
- **Bubs achieved Q3 FY25 group net revenue[3] of $23.2m, up 52.6% on pcp (Q3 FY24: $15.2m)**
- **Gross profit margin of 43.7%[2] in Q3 FY25 (44.8% in pcp)**
- **Q3 FY25 EBITDA[1] loss of $0.2m[2]; significant improvement from the $6.7m EBITDA[1] loss in prior corresponding period (pcp)**
- **$17.4m in total cash and cash equivalents plus $5.0m in undrawn debt facilities available as at 31 March 2025**
- **Bubs continues to follow the FDA's guidelines and make meaningful progress on its USA clinical trial with Bubs last patient completing the Growth Monitoring Study in April 2025. Bubs intends to provide its Growth Monitoring Study submission to the FDA in late June 2025 with the FDA approval decision expected in October 2025**
- **Bubs reaffirms FY25 outlook guidance of $102m revenue, gross margin > 40% and EBITDA[1] breakeven[4]**



Bubs Australia Limited
ACN 060 094 742
23-29 Nina Link, Dandenong South
VIC 3175 Australia

1800 2827 2878 (1800 BUBS AUST)
info@bubsaustralia.com

Bubs' Chief Executive Officer and Managing Director, Reg Weine, commented: "Pleasingly, our focus on growth in multiple markets, working capital discipline, cost-out initiatives, and a reduction in one-off expenses, has resulted in Bubs achieving positive operating cash flow for the 2nd consecutive quarter of $0.5m in Q3 FY25. We continue to make steady progress against all our strategic pillars, and our improved financial performance in Q3 was also aided by a strong US dollar.

Regional Highlights

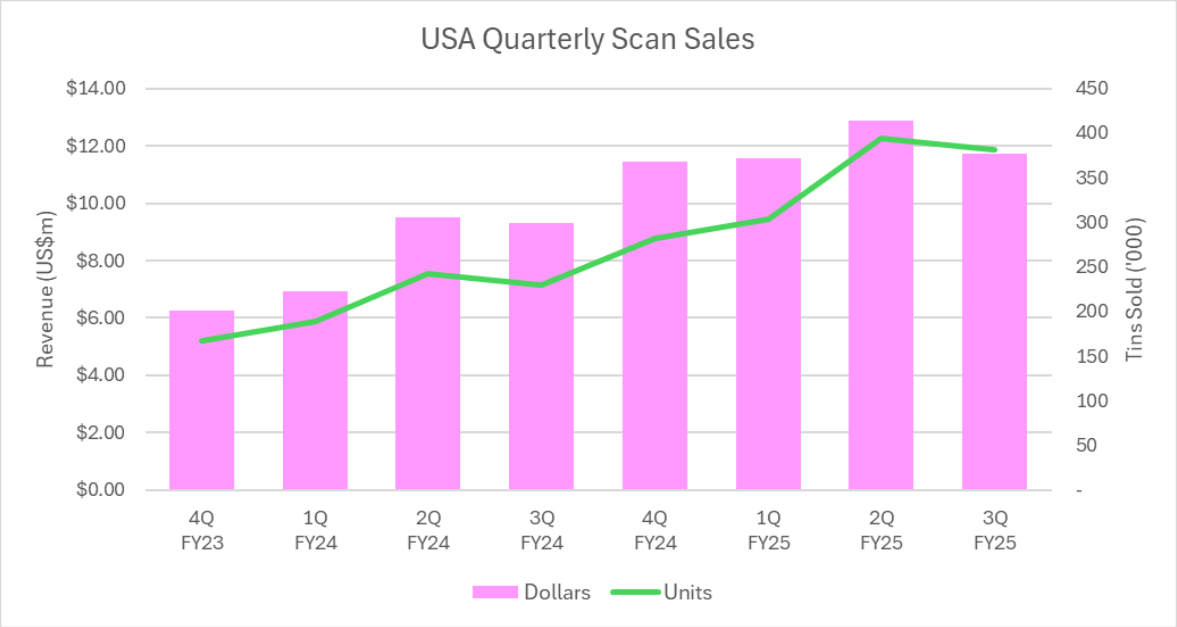
- **USA quarterly net revenue[3] of $10.8m, up 48% on pcp (Q3 FY24: $7.3m)**
- **China quarterly net revenue[3] of $5.7m, up 185% on pcp (Q3 FY24: $2.0m)**
- **Australia quarterly net revenue[3] of $4.6m, up 2% on pcp (Q3 FY24: $4.5m)**
- **ROW quarterly net revenue[3] of $2.1m, up 50% on pcp (Q3 FY24: $1.4m)**

USA

"USA net revenue[3] for Q3 was up 48% on pcp to $10.8m from $7.3m.

"Bubs' sales have been steadily building on Amazon since the start of the year and the last week in March delivered our best ever week[4] on the Amazon platform with 17k units sold. Sales via our bricks and mortar channel continue to grow and we have seen a strong uptick in April sales with a number of our key competitors experiencing supply shortages.

"The total IMF category in the US is growing 4.8% versus LY[5] while the premium IMF segment is growing 49% versus LY[5] and the Goat IMF segment is growing 154% versus LY[5] and is now valued at $88m.



Bubs Australia Limited
ACN 060 094 742
23-29 Nina Link, Dandenong South
VIC 3175 Australia

1800 2827 2878 (1800 BUBS AUST)
info@bubsaustralia.com

China

"China net revenue[3] for Q3 was up 185% on pcp to $5.7m from $2.0m.

Bubs China continued to demonstrate strong growth in Q3, with strong growth in our two channels CBEC and Online to Offline (O2O). Bubs has continued to successfully penetrate the Online to Offline (O2O) Mother & Baby store channel where we now have distribution in 23 provinces and 79 cities across China, particularly in the growing tier 2-4 cities. With over 229 new O2O stores added in the quarter, this brings the total O2O stores selling Bubs' products to over 1200. Our China go-to-market channel strategy focused on CBEC and O2O continues to deliver strong, profitable growth with significant scope to grow our distribution footprint and branded sales in the coming years.

Australia

"Australia net revenue[3] for Q3 was up 2% on pcp to $4.6m from $4.5m.

In Australia, we continue to be the dominant player in the domestic goat infant milk formula (IMF) market, with 54%[6] market share. The Goat IMF segment continues to grow strongly +15.4% versus last year. Bubs share of the total IMF market is 5.5%[6].

Rest of World

"Rest of World net revenue[3] for Q3 was up 50% on pcp to $2.1m from $1.4m driven by strong growth in Vietnam and Japan.

Operations

Mr. Weine commented: "With 52.6% growth in Q3 sales over pcp, and with sustained demand from customers for Bubs' products in all of our key markets, our Deloraine manufacturing facility is now at 87%[7] capacity. We are comfortably meeting the global demand for Bubs' products with our current two shift operation, and we can easily transition to a third shift if required.

Cash Position

Bubs held $17.4m in cash reserves as at 31 March 2025, with a further $5.0m of headroom on its bank facilities, totalling $22.4m of available cash liquidity.

Outlook

Bubs expects the positive momentum in Q3 to continue into Q4 although net operating cashflow could be affected by the timing of bulk material orders.

Mr Weine commented: "We remain firmly on track to achieve our full year FY25 guidance of $102m revenue, gross margin over 40% and EBITDA[1] breakeven[4]."

ASX Additional Information

Pursuant to ASX Listing Rule 4.7C.1, and as outlined in the Appendix 4C, the Company advises it spent $18.4m on product manufacturing and operating costs, $2.4m on administration and corporate costs, $3.7m on staff costs, and $2.5m on advertising and marketing. Details of the business activities are found within this report.

Bubs Australia Limited
ACN 060 094 742
23-29 Nina Link, Dandenong South
VIC 3175 Australia

1800 2827 2878 (1800 BUBS AUST)
info@bubsaustralia.com

Pursuant to ASX LR4.7C.3, the Company advises that payments of $455k were made to Key Management Personnel and $98k was paid for Directors' remuneration, including $6k paid in superannuation contributions. These payments are included in item 1.2.

Footnotes

[1] Earnings before interest, tax, depreciation and amortisation

[2] This figure has not been subject to audit or review

[3] Net revenue represents the revenue recognised after trading terms, trade spend and promotional support

[4] Before share-based payments

[5] Circana Weekly To 30/03/2025 Value Sales $'s Total US Multi-Outlet (Nb Excludes Online) Powder, RTD's, Electrolytes & Liquid Concentrates

[6] Circana MAT To 06/04/2024 Value Sales $'s Woolworths, Coles & Chemist Warehouse Combined

[7] Based on 2 shifts per day, 5 days per week Monday to Friday

Note: the figures and statements in this announcement have not been audited

This release is approved by the Board of Directors

END

MEDIA INQUIRIES

John Fergusson

John.fergusson@daymark.com.au

T 0407 826 952

SHAREHOLDER ENQUIRIES

(61 3) 9799 9988

Monday to Friday between 9am and 5pm

investors@bubsaustralia.com

www.investor.bubsaustralia.com

ABOUT BUBS AUSTRALIA LIMITED (ASX: BUB)

Founded in 2006 in Australia, Bubs' purpose is to grow happy, healthy families through clean nutrition. Bubs® A2 Beta-Casein Protein, Bubs Organic® Grass-fed, and Easy-Digest Goat Milk Infant Formula, along with Bubs Organic® baby food range, cater for all feeding occasions and stages of a child's development during their first 1,000 days of life.

Bubs® products are widely sold in major supermarkets and pharmacies throughout Australia, as well as exported to ten markets across China, Southeast Asia, the Middle East, and USA.

Consumer Website: **bubsaustralia.com**

Investor Centre: **investor.bubsaustralia.com**

Bubs Australia Limited
ACN 060 094 742
23-29 Nina Link, Dandenong South
VIC 3175 Australia

1800 2827 2878 (1800 BUBS AUST)
info@bubsaustralia.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
BUBS AUSTRALIA LIMITED (ASX: BUB)	
ABN	**Quarter ended ("current quarter")**
63 060 094 742	**31 March 2025**

Consolidated statement of cash flows		Current quarter $A'000	Year to date $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	28,104	77,466
1.2	Payments for		
	(a) research and development	(191)	(1,127)
	(b) product manufacturing and operating costs	(18,442)	(46,948)
	(c) advertising and marketing	(2,532)	(10,124)
	(d) leased assets	(186)	(554)
	(e) staff costs	(3,706)	(11,622)
	(f) administration and corporate costs	(2,455)	(7,359)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	43	267
1.5	Interest and other costs of finance paid	(111)	(416)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**524**	**(418)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(63)	(91)
	(d) investments	-	-

Bubs Australia Limited
ACN 060 094 742
23-29 Nina Link, Dandenong South
VIC 3175 Australia

1800 2827 2878 (1800 BUBS AUST)
info@bubsaustralia.com

Consolidated statement of cash flows		Current quarter $A'000	Year to date $A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	(4)
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(63)**	**(95)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	191	2,975
3.6	Repayment of borrowings	(443)	(2,536)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(252)**	**439**

Bubs Australia Limited
ACN 060 094 742
23-29 Nina Link, Dandenong South
VIC 3175 Australia

1800 2827 2878 (1800 BUBS AUST)
info@bubsaustralia.com

Consolidated statement of cash flows		Current quarter $A'000	Year to date $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**17,240**	**17,523**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	524	(418)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(63)	(95)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(252)	439
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**17,449**	**17,449**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	16,117	15,902
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposits)	1,332	1,338
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**17,449**	**17,240**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	98
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Pursuant to ASX LR4.7C.3, the Company advises that payments of $ 454,770 were made to Key Management Personnel and $98k was paid for Directors' remuneration, including $5.9k paid in superannuation contributions. These payments are included in item 1.2.

Bubs Australia Limited
ACN 060 094 742
23-29 Nina Link, Dandenong South
VIC 3175 Australia

1800 2827 2878 (1800 BUBS AUST)
info@bubsaustralia.com

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	10,000	5,000
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	10,000	5,000

7.5	**Unused financing facilities available at quarter end**	5,000

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

NAB Trade Refinance facility 8.62% per annum secured with the maturity date 31 August 2026.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	524
8.2	Cash and cash equivalents at quarter end (Item 4.6)	17,449
8.3	Unused finance facilities available at quarter end (Item 7.5)	5,000
8.4	Total available funding (Item 8.2 + Item 8.3)	22,449
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	N/A

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Bubs Australia Limited
ACN 060 094 742
23-29 Nina Link, Dandenong South
VIC 3175 Australia

1800 2827 2878 (1800 BUBS AUST)
info@bubsaustralia.com

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

28 April 2025

Date: .....

The Board of Directors

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.